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Republican Policy Committee

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<u>Will Clinton Policies Precipitate Record Numbers of Worker Strikes?</u>

Strikes: The Cost of Clinton's Class Warfare Rhetoric

For three years President Clinton has been fomenting the politics of class warfare, with the most recent example being his actions to encourage the return to an adversarial workplace where employee is pitted against employer. The bitter fruit from this policy is an unhealthy and costly increase in worker strikes — a throwback to a divisive and far less productive era.

America is on a trajectory to return to a period of massive labor unrest in numbers not seen since the Carter Administration. The number of days lost to strikes has increased in each of the last two years — in contrast to four consecutive years of decline under the Bush Administration. Taking the first quarter of 1996 and annualizing it for the entire year produces an unsettling picture of idle factories and lost growth. At the first quarter's pace, the number of workers on strike would be the most since 1983, while the workdays lost to strikes would be the highest of this decade. Both these categories would exceed their averages for the post-Carter years.

A direct link can be seen between the Clinton White House's efforts to supplant a policy of employer-employee cooperation with one of confrontation, and the current trajectory of labor unrest. And, given recent political considerations, it is hard to see the White House backing off this dangerous backward-looking policy since the President too can anticipate the benefits from the $35 million expenditure promised by union bosses to help Big Labor's favored party in November.

First Quarter 1996: Increasing Confrontation

The first quarter of 1996 portends a return to strike levels approaching those of the Carter years. Annualizing the first quarter data, 1996 would mark a giant step backward for the American workplace:

- 1996 is on pace to have lost roughly 9 million worker days to strikes.
- 1996 is on pace to have over three-quarters of a million workers on strike rather than on the job.
- 1996's days lost to strikes would be the highest of this decade and the most since 1989.

Year	Workers in thousands	Stoppages	Days Idle in thousands
1996 (1st Quarter)	193	11	2,239
1996 (annualized)	*770*	*44*	*8,956*
1995	192	35	5,771
1994	322	45	5,021
1993	182	35	3,981
1992	364	35	3,989
1991	392	40	4,584
1990	185	44	5,926
1989	452	51	16,996
1988	118	40	4,381
1987	174	46	4,481
1986	533	69	11,861
1985	324	54	7,079
1984	376	62	8,499
1983	909	81	17,461
1982	565	96	9,061
1981	729	145	16,908
1980	795	187	20,844
1979	1,021	235	20,409
1978	1,006	219	23,774
1977	1,212	298	21,258
1976	1,519	231	23,962
1977-1980 avg	**1,009**	**235**	**21,571**
1981-1995 avg	**394**	**59**	**8,400**

- 1996's days lost to strikes would substantially exceed the post-Carter average (8.4 million).

- 1996's figure for workers on strike would be the highest since 1983.

- 1996's figure for workers on strike (770,000) would be almost double the 1981-1995 average (394,000).

- 1996's figure for workers on strike (770,000) would approach the 1977-1980 Carter average of one million per year.

The Clinton Administration: Encouraging Confrontation

President Clinton has encouraged worker confrontation through rhetorical excesses of class warfare, and then underscored it with his policies. Two examples clearly stand out: his support for repealing the striker replacement law and his opposition to the Teamwork for

Employees and Management Act (known as the TEAM Act), legislation that would allow for employer-employee cooperation in the workplace. In the first case, President Clinton sought to overturn six decades' worth of legal precedent that gives employers the counter-leverage of hiring replacement workers when employees strike for purely economic reasons. The Clinton Administration sought to tilt this level playing field by issuing an executive order explicitly prohibiting the federal government from contracting with companies that had followed the law! Despite a federal court's act in striking down this executive order as an obvious attempt to break the long-held labor-law precedent, the Administration's announced appeal sends a clear implicit message of encouraging strikes by disrupting a balance that has existed for over 60 years.

On the second example, the Clinton Administration has opposed the TEAM Act, an innocuous piece of legislation pending before the Senate that would merely eliminate the anachronistic assumption that employer-employee cooperation is tantamount to exploitation. Simply, the legislation would allow management and workers to form work groups or "teams" to cooperatively address workplace issues. Despite the obvious common sense of this approach, it is prohibited in many instances by federal labor law, which allows only organized unions to officially speak for workers — even those workers who do not wish to belong to unions. Again, the message is clear: the Clinton Administration is seeking to maintain unions' legal monopoly and undercut workplace flexibility and innovation. The result is continued channeling of employees into a confrontational posture rather than a cooperative one.

The American Economy: Paying for Confrontation

While the Clinton Administration may see benefits from the union bosses' $35 million commitment, the American economy pays a heavy price for a return to confrontational policies. On one side of the coin is the cost of denying the cooperation between employers and employees that clearly is needed for the modern workplace. According to a study by the Employment Policy Foundation, in cases where such cooperative employee-employer systems have been implemented, they have resulted in significant and documented gains in productivity. On the other side of the coin are the costs of confrontation. Strikes and work stoppages can cost billions in lost productivity. Nor are the costs limited to those parties directly involved. Industries that supply the striking industries also suffer, and so do consumers through higher prices.

An Anachronism: Confrontation in the Era of Cooperation

If the trend line continues, this will be the third consecutive year that the number of days lost to strikes has increased. While the first quarter of 1996 admittedly was heavily influenced by the General Motors strike, this could well be just a precursor. In September, the United Auto Workers will renegotiate contracts with all of the Big Three automakers. If the UAW's aggressive attitude over relatively minor issues in the GM strike is any indication, 1996 could see massive work stoppages. While returning to a confrontation stance is anachronistic, retrogressive, and economically costly, the Clinton Administration has shown no indication it will do anything but continue to encourage it.

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